

Benefits

Safeway is committed to providing a benefit package to fit the needs of our employees and their families. Our comprehensive benefits are part of a total compensation package that helps you today – and helps you take charge of your tomorrow.

Safeway provides you with the tools to improve your health. The purpose of this handout is to provide highlights of our benefit package. It should not be considered a complete benefits plan document. Detailed eligibility and procedural rules may apply. All benefits are subject to eligibility requirements and other plan limits.

Health, Life and Disability Benefits

Safeway employees designated as full-time (regularly work 32 or more hours per week) are eligible to participate in health benefits on the first day of the calendar month following one (1) completed month of employment. Part-time employees must work 80 hours in one calendar month, then have a waiting period of one calendar month and continue to meet eligibility requirements to participate. The health care package includes medical, prescription drugs, dental, vision, life insurance, sick pay, short-term disability, long-term disability, Employee Assistance Program, and Flexible Spending Arrangements.

Medical Plans

Your medical plan contributions are paid on a pre-tax basis, depending on your location, the plan you select, and the number of family members you enroll. In most cases, our employees choose from one or more HMOs in their area or a Preferred Provider Organization (PPO) Plan. HMOs require a co-pay for most services, but do not require the filing of claim forms. With a PPO Plan, you are able to go any providers and are not required to pay a deductible or a co-pay for most charges when using an in-network provider. However, selecting an out-of-network provider will require you to pay a deductible and a larger portion of charges.

If you don't live in an HMO or PPO service area, an Out-of-Area Plan is available. This plan allows you to choose any health care provider and requires you to pay a deductible and 20 percent of most charges.

Healthy Measures

Healthy Measures is a voluntary program designed to encourage employees and spouses/domestic partners to identify and understand major health risks, and engage in healthy behaviors to help lower risks. Healthy Measures testing includes body mass index (BMI), blood pressure, fasting glucose, fasting cholesterol and nicotine. You can save hundreds of dollars on medical plan contributions, if you meet the Healthy Measures standards.

Prescription Drugs

If you enroll in any SelectBenefits medical plan, you automatically receive prescription services through the Avia Partners Pharmacy program, a wholly owned subsidiary of Safeway.

Note: If you select a Kaiser medical plan, you can choose to receive prescription drugs from Kaiser or Avia Partners.

Vision

Your contributions to vision care are paid on a pre-tax basis, depending on the plan you select and number of family members you enroll. Vision service plans provide eye exams and lenses (standard or contacts) annually and frames every two years. For each service, a co-pay is required.

Dental

Your contribution to a dental plan depends on the plan you select and number of family members you enroll and is paid on a pre-tax basis. Our dental plans include preventative, basic and major services, as well as orthodontia.

Flexible Spending Accounts (FSA)

You may select to contribute pre-tax dollars to pay for healthcare and dependent care expenses that are not reimbursed through your health plan.

Medical Decision Support Service

You are automatically enrolled in this free, high-tech medical information program. Call MedExpert when you need information or have questions about a recent diagnosis, are unsure about the best treatment option, or if you have questions about your prescription.

Employees Assistance Program (EAP)

This program is a company-paid benefit that provides confidential assistance with personal concerns for you and your household members, offering legal, financial, elder- and child-care advice.

Basic Life Insurance

Basic life insurance is a company-paid benefit offering full-time employees coverage for 2 times their base pay, up to \$1 million. Part-time employees are covered for \$10,000.

Additional Life Insurance

Your contribution to additional life insurance is paid with after-tax dollars and is based on your age and the level of coverage you select. You may choose from 1 to 8 times your base pay, up to a maximum of \$2 million.

Spouse Life Insurance

Spouse life insurance is based on the level of coverage you select and your spouse's age, with contributions paid with after-tax dollars. You may choose from ½ to 4 times your base pay up to a maximum of \$500,000.

Child Life Insurance

Your contribution is paid with after-tax dollars, with the option of selecting from \$10,000 or \$20,000 coverage for each child over the age of 1. Coverage for newborns to age one is available for \$2,000.

Short-Term Disability

If you are unable to work due to illness or injury, short-term disability is available and is company-paid in all of our operating areas, except California, Hawaii and New Jersey.

Note: California, Hawaii and New Jersey provide coverage and mandate employee contributions.

Long-Term Disability

You contribution for long-term disability is paid with after-tax dollars. The plan provides 60 percent of base pay, up to a \$12,500 monthly maximum after a certain waiting period. Bonus eligible employees may receive their total base pay, plus a bonus up to \$17,500 monthly.

Business Travel Accident

Safeway provides a company-paid accident plan in the event of death or catastrophic injury while traveling on company business.

Paid Time Off

Vacation

Safeway provides paid vacation after your first year of employment. Our employees generally accrue 2 weeks paid vacation per year and receive periodic increases up to 5 weeks based on their years of service. The schedule of periodic increases may vary by division.

Holidays

While holiday schedules vary by division, all employees generally receive nine paid days off each year (pro-rated for part-time employees).

Sick Leave

After 3 months employment, our employees accumulate one sick day per month, with a 130-day maximum. All divisions provide sick leave and/or a short-term disability program.

Jury Service

Safeway encourages you to meet your civic obligations, allowing you 20 days off for jury service in a three-year period.

Bereavement Leave

Safeway understands that personal circumstances occasionally require our employees to miss work. Certain limits to funeral leave may apply depending on their relationship to the deceased and the funeral location.

Retirement

Employee Stock Purchase Plan (ESPP)

Our employees may purchase shares of Safeway stock through payroll deductions. Participating in this plan allows you to make lump purchases at any time. You pay the fees for the sale of stock, while Safeway pays fees and brokerage commissions on all purchases. If you are the age of majority in your state of residence, eligibility starts at hire date.

Safeway Retirement Plan

The Safeway Retirement Plan is designed to offer a foundation on which you can build a well planned retirement. The plan has been in existence for over 50 years and its assets are invested in a wide variety of stocks and bonds. Along with your 401(k) Plan, Social Security, and personal savings, the Retirement Plan is a big part of your total retirement picture. Safeway pays for the full cost of this benefit.

Years of Participation	Company Contribution
0 to 4	3.0%
5 to 9	3.5%
10 to 14	4.0%
15 to 19	4.5%
20 to 24	5.5%
25 or more	6.5%

- Safeway Company employees who are 21-years-old or over are eligible to participate in the program after they have completed one year of service.
- This plan is entirely funded by company contributions. You accrue benefits that are based on your pay, years of plan participation, and a set interest rate.
- You become vested in the Retirement Plan when you have earned three years of vesting service after age 18 or after you reach age 55 as a Safeway employee, whichever is sooner.
- Certain benefits are available for employees' survivors.

Safeway 401(k) Plan

Safeway's 401(k) plan is funded entirely by employee contributions; you are, thus, immediately vested. You can save from 1 to 50 percent of your pre-tax income (base pay plus overtime), investing in any of the available investment funds. You pay no tax on your contributions or earnings until you withdraw your money.

At age 59 or over, you may withdraw money from your 401(k) account without a penalty tax or having to leave the company. Otherwise, you can borrow up to 50 percent of your balance and pay yourself back with interest.



If you are age 50 or over, you are eligible to contribute an additional amount in Catch-Up Contributions each year. The 2010 limit for catch-up is \$5,500.

Although you may invest your 401(k) contributions in Safeway stock, the choice is yours. You control the direction of your investments and may change funds at any time.

Safeway Companies Employee Association (SCEA)

One of the largest employee associations in the world, the Safeway Companies Employee Association is a fun and compassionate aspect of being a Safeway employee. Organized and operated by its employee members, the SCEA stands for and supports its members. Not only will our employees have the benefit of enjoying our own numerous discount programs and recreational activities, but they will be able to take advantage of corporate SCEA discount programs from across the United States!

Three goals of SCEA:

1. Provide year round recreational events for members and their families.
2. Provide significant discounts to entertainment, services, and retailers nationwide.
3. Provide financial assistance to employees in need through SCEA's *Friends Helping Friends* program.

Friends Helping Friends

We help those who are less fortunate through our philanthropic programs and, most importantly, we help our fellow members when they face unexpected financial hardships. It is available to all SCEA members across Safeway, Inc., and will provide a source of assistance for employees who face unexpected financial crises, whether as a result of a catastrophic loss due to natural or civil disaster or the death of an immediate family member. Whether it's for yourself or a fellow member – the fund is here for those who need it.

Additional Benefits

Relocation

Relocation benefits may be available to you, depending on the position you accept and your work location, for a move greater than 50 miles. The relocation package can include:

- A dedicated relocation specialist to assist your move
- Marketing assistance in selling the current residence to include referral to a real estate agent for assistance in the sale of current residence or purchase of home at new location
- A company-paid trip to look for housing
- Company-paid temporary living expenses, if needed
- Self-move or professional packing, load, and shipment of household goods
- Travel expenses to new location
- \$1,000 for miscellaneous expenses
- A tax report at year end

Professional and Career Education Program (PACE)

Safeway recognizes the value of advanced education and continued learning for all employees. Safeway reimburses tuition, books, and other required fees up to 80% to eligible employees. Twelve (12) months of consecutive employment is required for eligibility.

Employee Discount

We encourage our employees to shop at Safeway company stores. Discounts include: 10% Off Safeway Corporate Brands, KinderCare, cellular, solar and computer purchase discounts. Fitness club membership discounts are offered at L.A. Fitness and 24 Hour Fitness. Time restrictions may apply.